SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested ☐

Registered Entity Identifier Code (optional): <u>14-537</u>

Organization: <u>Chicago Mercantile Exchange Inc. ("CME")</u>

Filing as a: ☒ **DCM**   ☐ **SEF**   ☐ **DCO**   ☐ **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): <u>December 11, 2014</u>   Filing Description: <u>Modifications to the CME E-Micro FX Market Maker Program</u>

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

☒	Certification	§ 40.6(a)
☐	Approval	§ 40.5(a)
☐	Notification	§ 40.6(d)
☐	Advance Notice of SIDCO Rule Change	§ 40.10(a)
☐	SIDCO Emergency Rule Change	§ 40.10(h)

Rule Numbers: <u>Not Applicable</u>

New Product   Please note only ONE product per Submission.

☐	Certification	§ 40.2(a)
☐	Certification Security Futures	§ 41.23(a)
☐	Certification Swap Class	§ 40.2(d)
☐	Approval	§ 40.3(a)
☐	Approval Security Futures	§ 41.23(b)
☐	Novel Derivative Product Notification	§ 40.12(a)
☐	Swap Submission	§ 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

☐	Certification	§ 40.6(a)
☐	Certification Made Available to Trade Determination	§ 40.6(a)
☐	Certification Security Futures	§ 41.24(a)
☐	Delisting (No Open Interest)	§ 40.6(a)
☐	Approval	§ 40.5(a)
☐	Approval Made Available to Trade Determination	§ 40.5(a)
☐	Approval Security Futures	§ 41.24(c)
☐	Approval Amendments to enumerated agricultural products	§ 40.4(a), § 40.5(a)
☐	"Non-Material Agricultural Rule Change"	§ 40.4(b)(5)
☐	Notification	§ 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:

CME Group

December 11, 2014

VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

> **RE:** **Modifications to the CME E-Micro FX Market Maker Program**
> **CME Submission No. 14-537**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of modifications to an existing market making program for E-Micro Foreign Exchange ("FX") futures contracts that are traded on Globex® ("Program"). The proposed modifications to the Program will become effective on January 1, 2015.

Exhibit 1 sets forth the terms of this Program. The modifications appear below, with additions underscored and deletions overstruck.

CME reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program and proposed modifications will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations under the Program to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the CME rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to, applicable regulations and CME rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

CME certifies that the Program and the modifications to the Program comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or the proposed modifications.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at http://www.cmegroup.com/market-regulation/rule-filings.html.

If you require any additional information regarding this submission, please e-mail CMEGSubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CME Submission No. 14-537 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

CME E-Micro FX Market Maker Program

Program Purpose

The purpose of this Program is to incent market makers to enhance liquidity in the products listed below. The resulting increase in central limit order book liquidity for E-Micro FX futures on the CME Globex® platform benefits all participants segments in the market.

Product Scope

The following CME E-Micro FX futures products available for trading on the Globex® Platform ("Products"):

E-micro AUD/USD Futures	E-micro USD/CHF Futures
E-micro GBP/USD Futures	E-micro CAD/USD Futures
E-micro USD/CAD Futures	E-micro CHF/USD Futures
E-micro EUR/USD Futures	E-micro JPY/USD Futures
E-micro USD/JPY Futures	E-micro USD/RMB Futures

Eligible Participants

CME may designate up to ten (10) participants in the Program. Participants can be CME members or non-members. Potential participants are required to submit an application/bid sheet to the Exchange which is used to determine eligibility. CME staff will use a variety of factors in determining whether or not a prospective market maker is selected to participate in the Program, including past performance in E-Micro FX futures and the ability to commit to and maintain at least the required quoting obligations. Notwithstanding the forgoing, CME may, from time to time, add to or subtract from the factors listed above as it deems necessary.

Program Term

Start date is March 22, 2009. End date is ~~December 31, 2014~~ December 31, 2015.

Hours

RTH, ETH, ATH

Obligations

~~Quoting Requirements~~:

~~Program participants must provide two-sided electronic markets in certain Products for 80% of the 23-hour Globex® trading session in accordance with the following maximum bid-ask spreads and minimum quote sizes:~~

~~Contracts~~	~~Maximum bid/ask spread~~	~~Minimum Quote Size~~
~~EUR/USD (M6E)~~	~~4 ticks~~	~~8~~
~~GBP/USD (M6B)~~	~~4 ticks~~	~~5~~

AUD/USD (M6A)	4 ticks	5
CHF/USD (MSF)	4 ticks	5
CAD/USD (MCD)	4 ticks	5
JPY/USD (MJY)	4 ticks	5
*Rollover Spread (i.e., quoting 2nd nearest month/front month) for M6E, M6B, M6A, MSF, MCD, MJY	3 ticks	10

*Quoted only during roll week (i.e., the last week of trading of applicable month).

Program participants must provide two-sided electronic markets in the Products at maximum bid-ask spreads and minimum quote sizes during designated hours of RTH, ETH and/or ATH.

Program Incentives

Upon satisfying all Program obligations, as determined by the Exchange, each Program participant shall be eligible for the following incentives:

Fee Waivers. CME shall waive all of market maker's CME Globex® execution and clearing fees for the Products traded through the market-making account(s).

Messaging Policy Waiver.   CME shall waive market makers' messaging policy. CME reserves the right to limit a market maker's messaging if CME deems, in CME's sole discretion, that a market maker's messaging is excessive.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements or fails to meet the obligations of the Program.